



February 19, 1999

SENATE BILL No. 216

DIGEST OF SB 216 (Updated February 17, 1999 2:45 pm - DI 97)

Citations Affected: IC 27-13; noncode.

Synopsis: Termination of participating providers. Requires that a health maintenance organization and a limited service health maintenance organization notify an enrollee in writing of the termination of a participating provider seen by the enrollee during the previous year. Requires that a provider contract provide that, at the enrollee's request, a provider must continue to care for an enrollee for: (1) up to one year; or (2) throughout the term of the enrollee's pregnancy if the enrollee is in the third trimester of pregnancy, following termination of the provider's contract with a health maintenance organization or limited service health maintenance organization if the termination was not due to a quality of care issue. Requires that a provider whose contract with a health maintenance organization has terminated, after the continuation period ends and before providing services to an enrollee, inform the enrollee: (1) that
(Continued next page)

Effective: July 1, 1999.

Wyss, Craycraft

January 6, 1999, read first time and referred to Committee on Health and Provider Services.
February 18, 1999, amended, reported favorably — Do Pass.

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the provider is no longer a participating provider; and (2) what the provider's charge is for health care services.

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SB 216—LS 6953/DI 97+



February 19, 1999

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

SENATE BILL No. 216

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-13-9-3 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) A health
3 maintenance organization shall notify an enrollee in writing of the
4 termination of:

5 (1) the provider who currently provides primary health care
6 services to that enrollee; **and**

7 (2) **any other participating provider seen by the enrollee**
8 **during the previous year.**

9 (b) After the termination of the provider who provided primary
10 health care services to an enrollee, the health maintenance organization
11 shall assist the enrollee in transferring to another participating primary
12 care provider.

13 SECTION 2. IC 27-13-34-12 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 12. A limited service
15 health maintenance organization operated under this chapter is subject
16 to the following:

17 (1) IC 27-13-8, except for IC 27-13-8-2(a)(5) concerning reports.

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(2) **IC 27-13-9-3 concerning termination of providers.**

(3) IC 27-13-10-1 through IC 27-13-10-3 concerning grievance procedures.

~~(3)~~ (4) IC 27-13-11 concerning investments.

~~(4)~~ (5) IC 27-13-15-1(a)(2) through IC 27-13-15-1(a)(3) concerning gag clauses in contracts.

~~(5)~~ (6) IC 27-13-21 concerning producers.

~~(6)~~ (7) IC 27-13-29 concerning statutory construction and relationship to other laws.

~~(7)~~ (8) IC 27-13-30 concerning public records.

~~(8)~~ (9) IC 27-13-31 concerning confidentiality of medical information and limitation of liability.

~~(9)~~ (10) IC 27-13-36-5 and IC 27-13-36-6 concerning referrals to out of network providers and continuation of care.

~~(10)~~ (11) IC 27-13-40 concerning comparison sheets of services provided by the limited service health maintenance organization.

SECTION 3. IC 27-13-36-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) A health maintenance organization shall include provisions in the health maintenance organization's contracts with providers to provide for continuation of care in the event that a provider's contract with the health maintenance organization is terminated, provided that the termination is not due to a quality of care issue.

(b) The contract provisions under subsection (a) shall require that the provider, upon the request of the enrollee, continue to treat the enrollee for up to ~~sixty (60) days~~ **one (1) year** following the termination of the provider's contract with the health maintenance organization or, in the case of a pregnant enrollee in the third trimester of pregnancy, throughout the term of the enrollee's pregnancy. If the provider is a hospital, the contract shall provide for continuation of treatment until the earlier of the following:

(1) Sixty (60) days following the termination of the provider's contract with the health maintenance organization.

(2) The enrollee is released from inpatient status at the hospital.

(c) During a continuation period under this section, the provider:

(1) shall agree to continue accepting the contract terms and conditions, together with applicable deductibles and copayments, as payment in full; and

(2) is prohibited from billing the enrollee for any amounts in excess of the enrollee's applicable deductible or copayment.

(d) Following a continuation period under this section and before providing services to the enrollee following the continuation



- 1 period, the provider shall advise the enrollee of the following:
2 (1) That the provider no longer contracts with the health
3 maintenance organization.
4 (2) The provider's charge for health care services.
5 SECTION 4. [EFFECTIVE JULY 1, 1999] (a) IC 27-13-36-6, as
6 amended by this act, applies to contracts entered into, amended, or
7 renewed after June 30, 1999.
8 (b) This SECTION expires June 30, 2001.

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SENATE MOTION

Mr. President: I move that Senator Craycraft be added as second author of Senate Bill 216.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 216, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 28, delete ".".

Page 2, line 28, reset in roman "or, in the case of a pregnant enrollee in the third trimester".

Page 2, reset in roman lines 29 through 34.

Page 2, between lines 40 and 41, begin a new paragraph and insert:

"(d) Following a continuation period under this section and before providing services to the enrollee following the continuation period, the provider shall advise the enrollee of the following:

(1) That the provider no longer contracts with the health maintenance organization.

(2) The provider's charge for health care services."

and when so amended that said bill do pass.

(Reference is to SB 216 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 11, Nays 0.

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